



Strategic Management Services Branch
P.O. Box 898
Sacramento, CA 95812-0898
Telecommunications Device for the Deaf - (916) 795-3240
(916) 795-3976, FAX (916) 795-3033

December 9, 2005

AGENDA ITEM 6

TO: MEMBERS OF THE FINANCE COMMITTEE

- I. SUBJECT:** FY 2005-2006 Annual Plan (First Quarter Update)
- II. PROGRAM:** Systemwide
- III. RECOMMENDATION:** Approve the first quarter update of the 2005-2006 Annual Plan. Upon approval, transmit the first quarter update of the 2005-06 Annual Plan to the Joint Legislative Budget Committee, Fiscal Committees of the Legislature, the State Controller, and the Department of Finance in accordance with the Budget Act of 2005; and the Legislative Analyst's Office and the State and Consumer Services Agency.
- IV. ANALYSIS:**

The first quarter update of the 2005-2006 CalPERS Annual Plan is presented for your approval. The 2005-2006 Annual Plan is reflected as the first year objectives of the current Three-Year Business Plan (Attachment I). This plan sets the CalPERS business direction and contains the major business objectives for the next three years.

The first quarter report reflects the progress and status of the Annual Plan and Three-Year Business Plan objectives (Attachment I) through September 30, 2005.

The information contained in this agenda item will be transmitted to the entities stated above in accordance with control language included in the Budget Act of 2005. This transmission will take place upon approval of this agenda item by the Committee and Board of Administration. A draft transmittal letter is attached for your review (Attachment II).

Major first quarter highlights include the following:

Throughout the first quarter, staff has been developing objectives to meet the strategic goals that were approved by the Board in September. During this process, they have been evaluating and refocusing the current three-year business plan objectives when necessary to reflect the new strategic goals. This process is important to ensure the current objectives are relevant and attainable in the achievement of the new strategic goals. The process also involves ensuring the appropriate activities are being measured and that tools are in place to measure the improvements.

V. STRATEGIC PLAN:

The Three-Year Business Plan documents business priorities and the enterprise implementation plan that will lead toward the achievement of the CalPERS Strategic Goals. The Annual Plan outlines the organization's current year objectives.

VI. RESULTS/COSTS:

Cost and resource needs associated with the activities identified in the Three-Year Business Plan and 2005-06 Annual Plan were approved as part of the CalPERS 2005-2006 budget.

Staff is available to answer any questions.

Susan L. Garrett, Chief
Strategic Management Services Division

Curtis Howard
Assistant Executive Officer
Administrative Services Branch